

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Lansing, Michigan
Wednesday, January 26, 2005

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met in the Aeronautics Auditorium, 2700 E. Airport Service Drive, Lansing, Michigan, on Wednesday, January 26, 2005, commencing at the hour of approximately 10:00 a.m.

Members Present

Sidney Adams, Jr., Chairman
Terry Everman, Commissioner
Lowell E. Kraft, Commissioner
Eric V. Smith, Commissioner
Gloria J. Jeff, Commissioner
John Ort, Commissioner
Mindy Koch, Commissioner
Rob Abent, MAC Director
Ray Howd, Legal Counsel
Barbara Burris, Analyst

Staff

Pauline Misjak, Aviation Services Division
Gerald Edwards, Aviation Services Division
David Baker, Airports Division
Mark Noel, Airports Division
Rick Hammond, Airports Division
Linn Smith, Airports Division
Rick Carlson, Air Transport

Members Absent

Jim Collins, Commissioner
Ken Heaton, Commissioner

Also Present

Dean Greenblatt, former MAC Commissioner
Bill Blake, AOPA
Mark Johnson, Livingston County
Dave VanderVeen, Oakland County
Sean Brosnan, Willow Run
John Strehl, Antrim County
Karl Randall, Oakland/Pontiac International
Jon Bayless, Grand Ledge-Abrams
John Lawson, Grosse Ile Municipal
Sean Brosnan, Detroit City Airport
Robert Selig, Capital City
Lee Scherwitz, SW MI Regional
Jeff Thornton, Owosso
Larry Bowron, W.K. Kellogg
Mike Trout, Flint Bishop International

A list of all others present is attached to the official minutes.

I. OPENING REMARKS

The November 17, 2004, Michigan Aeronautics Commission meeting was called to order by Chairman Sidney Adams at 10:20 a.m. He asked the guests in attendance to introduce themselves for the record.

Whereupon attendees seated in the audience proceeded with personal introductions (a complete listing is attached to the official record).

In addition to the audience, members of the Commission seated at the head table, along with Ray Howd, Assistant Attorney General, identified themselves for the record.

Absent members of the Commission included Commissioners Collins and Heaton.

II. PRESENTATIONS

A. Super Service Award

Director Abent completed an item of unfinished business from a previous meeting whereby members of Team MDOT were recognized for their exceptional contributions to the department. The Director asked that Gerry Edwards, Aviation Services Division, come forward to receive the Director's "Super Service" award.

Mr. Edwards was selected from nominations to the Director's selection committee after being recognized by both the Lansing Chamber of Commerce and the Wally Byam Airstream Convention Board for his efforts in connection with the 2004 Wally Byam Airstream Caravan Club convention held in Lansing. Mr. Edwards served as liaison between the department and the 2000 plus members in attendance.

A ceremonial plaque was presented to Mr. Edwards by Chairman Adams, Director Abent, and Commissioner Jeff and congratulations extended.

B. Tribute to Former Commissioner Dean Greenblatt

In a brief ceremony, a *Certificate of Appreciation* was presented to former Commissioner Dean Greenblatt by the Chairman and Director Rob Abent. The Chairman read from the plaque:

In recognition of your public service as a member and Vice Chairman of the Michigan Aeronautics Commission. Your dedication, leadership, and advocacy for aviation are greatly appreciated.

Upon acceptance, Mr. Greenblatt read from a prepared statement. He thanked the Commission Chair and the Director for the honor and spoke positively of his experience on the Commission. He noted that he had learned a great deal about the needs of the aviation constituency, particularly with respect to changes that have occurred in the Aeronautics Bureau that are perceived as having endangered the responsiveness of the state to their needs and concerns. He praised the staff of the department for their deference to the customers they serve.

III. COMMISSION BUSINESS

A. Minutes of November 16, 2004

The Chairman called for comments and/or correction to the minutes of November 16, 2004. Hearing none, he entertained a motion to approve the minutes of November 16, 2004.

Moved by Commissioner Ort, with support from Commissioner Kraft, to approve the minutes of November 16, 2004. MOTION CARRIED.

The Chairman recognized the arrival of William Gehman, former Director and member of the Michigan Aviation Hall of Fame.

B. Airport Development Program

The Chairman called on Dave Baker, Funding Manager, to present the 35 projects for Commission approval.

With the aid of slides, Mr. Baker presented the projects pending approval and invited questions concerning individual airport projects.

FEDERAL/STATE/LOCAL AND STATE/LOCAL PROJECTS

Location	Total Allocation	Project Description
Lenawee County Adrian	\$ 80,000	Clearing for 23 approach
Lenawee County Adrian	\$ 4,250,000	Construction of 5/23 widening, rehabilitation and extension, taxiway extension with MIRL's, MITL's and fencing

Padgham Field Allegan	\$ 40,000	Supplemental transfer for environmental assessment to include wetland mitigation
Huron County Memorial Bad Axe	\$ 70,000	Wetland mitigation design
W.K. Kellogg Battle Creek	\$ 21,500	Runway 5 Runway Safety Area Study
W.K. Kellogg Battle Creek	\$ 40,000	Wetland mitigation site selection
Beaver Island Beaver Island	\$ 25,000	Supplemental transfer for tree clearing for approaches
Antrim County Bellaire	\$ 25,000	Safety area improvements
Roben-Hood Big Rapids	\$ 320,000	Rehabilitation of runway lights, REILs, PAPI, and clearing
Dowagiac Municipal Dowagiac	\$ 102,333	Snow removal equipment and building
Drummond Island Drummond Island	\$ 5,000	ALP Update
Iosco County East Tawas	\$ 200,000	Runway lighting
Bishop International Flint	\$ 305,000	Flight information display system
Otsego Gaylord	\$ 157,895	Design for terminal building and parallel taxiway 9/27 rehabilitation
Houghton County Memorial Hancock	\$ 1,387,684	Land acquisition for wetland preservation; rehabilitation of runway 7/25 MIRL, shoulders, and RSA; rehabilitation of taxiway C MITL and shoulders; perimeter road modifications
Tulip City Holland	\$ 582,000	Construction of perimeter fencing and gates
Roscommon County Houghton Lake	\$ 280,000	MIRL and REIL replacement, and fencing
Kalamazoo/Battle Creek Intl. Kalamazoo	\$ 2,500,000	Runway 17/25 shift to obtain runway safety areas
DuPont-Lapeer Lapeer	\$ 750,000	Reconstruct existing runway 18/26 as taxiway, MITL, and rehabilitate apron

Mason County Ludington	\$ 151,789	Construct runway 18 taxiway turnarounds and hold apron, rehabilitate portion of apron and taxiway to hangars
Monroe Custer Monroe	\$ 322,700	Security fencing
Mt. Pleasant Municipal Mt. Pleasant	\$ 150,000	SRE Snow blower
Owosso Community Owosso	\$ 1,443,685	Runway 28 rehab and extension, taxiway extension, runway lighting
Plainwell Municipal Plainwell	\$ 35,000	ALP update and obstruction survey
Canton-Plymouth Plymouth	\$ 157,895	RSA improvements
Bois Blanc Island Pointe Aux Pins	\$ 38,000	Land acquisition and boundary survey
Bois Blanc Island Pointe Aux Pins	\$ 500,000	Supplemental transfer for extend, widen and pave runway, connector taxiway and apron
Oakland County International Pontiac	\$ 3,157,895	Residential sound insulation program
Chippewa County International Sault Ste. Marie	\$ 1,329,108	Rehabilitation of runway 16/34; cost benefit analysis for cargo facility, surveillance equipment; emergency generator for terminal building
South Haven Area Regional South Haven	\$ 175,216	Land appraisals, easement acquisition, clearing and grubbing
Statewide	\$ 120,000	Aircraft rescue and firefighting training
Kirsch Municipal Airport Sturgis	\$ 80,000	Environmental assessment for runway safety area improvements
Three Rivers Municipal-Dr. Haines Three Rivers	\$ 240,000	Land acquisition for approach protection
Three Rivers Municipal-Dr. Haines Three Rivers	\$ 35,000	Design for partial parallel taxiway to runway 27
White Cloud White Cloud	\$ 215,000	Land acquisition for runway protection zone

With respect to the project at Huron County Memorial, Commissioner Kraft inquired as to the location of wetland mitigation. Mr. Baker advised that FAA rules require that the mitigation be at least 5000 feet from either runway end.

Commissioner Koch asked for clarification of the process involved in acquiring a mitigation permit.

Mr. Baker explained that environmental work is done preliminary to any construction, and may include delineation work, followed by an environment assessment, if required by the FAA. All studies take place prior to permitting.

In response to a follow-up from Commissioner Koch, Mr. Baker clarified that the wetland permits are routinely pulled at the time construction is to begin. Construction is postponed when environmental considerations come into play. Postponement occurs only on rare occasions.

Discussion ensued on the conditions that would influence the permitting process.

For purposes of clarification, Commissioner Koch explained that although the DNR is not the administering body for the wetland program, it is at times involved with mitigation projects as well as acquisition projects for expansion based on its proprietary interest in approximately 4.8 million acres of state land.

With respect to Plainwell Airport, it was noted that this Tier 3 airport will receive funding to update its airport layout plan and to survey obstructions using funding restricted for planning and obstruction reduction.

Mr. Baker noted that the Bois Blanc Island Airport had recently received approval for certification as a National Plan of Integrated Airport Systems (NPIAS) airport and would therefore be eligible for federal funding in approximately 2007 based on its island designation.

In response to query from Commissioner Everman, Mr. Baker outlined the components of the sound insulation program for Oakland International Airport, which includes insulation, air conditioning, and sound proofing, and an average expenditure of \$30,000 per household. Upon completion, funding for this program will have exceeded \$12 million. Approximately 75 to 100 homes will be impacted. Since the start of the program, noise complaints have been reduced by over 90 percent. The project is similar in nature to the one taking place at the Detroit Metropolitan Airport.

There being no further questions, the Chairman entertained a motion to approve the transfers as presented.

Moved by Commissioner Kraft, with support from Commissioner Koch, to approve the 35 transfers as presented. MOTION CARRIED.

The Chairman deferred to Mr. Baker to present the supplemental transfers processed during the interim in accordance with Commission policy on supplemental transfers.

Mr. Baker briefed the Commissioners on four supplemental transfers:

Padgham Field, Allegan: A one (1) percent increase in federal/state/local funding resulting from higher than anticipated construction material costs for the rehabilitation of runway 10/28, thereby increasing the total project cost to \$399,200.

Padgham Field, Allegan: A two (2) percent increase in federal/state/local funding resulting from the addition of a conduit and minor drainage improvements, thereby increasing the total project cost to \$195,767.

Mackinac Island, Mackinac Island: A three (3) percent increase in state funding resulting from additional topsoil needed to complete turf restoration over the electrical conduit trenches, thereby increasing the total project cost to \$199,135.

Mackinac County, St. Ignace: A four (4) percent increase in federal/state funding resulting from unexpected problems discovered during construction, thereby increasing the total project cost to \$233,869.

The Chairman noted that no official action is required on the supplemental transfers.

C. State/Local Safety & Security Funding Program

The Chair deferred to Director Abent for a briefing on this item.

Director Abent advised that based on discussions with members of the Commission and the Director of the Department of Transportation, the subject item had been tabled pending further discussions with the Office of Attorney General and will be addressed at the meeting scheduled for March 31.

The Chairman called on Rick Hammond to introduce the next item for consideration.

D. Approach Protection Plan Standards

Mr. Hammond appeared before the Commission with a request that the Commission approve a set of standards that will be applied to each airport with regards to approach protection zones. He noted that each time an airport updates its airport layout plan for further development or has a construction project which changes the length or configuration of the runway, the standards have to be reapplied to fit the current conditions. Over the past few years, the Commission has approved approach protection plans for approximately 200 airports. The only airports for which plans have not been

approved are those that have their own unique zoning ordinances or have established their own standards for protection. The protection plan consists of three parts; the FAA Part 77 airspace protection zone (that area which surrounds the airport), the criteria for VORs (for the protection of radio navigation aids), and land use guidelines. Mr. Hammond requested that the Commission approve the use of these standards by staff when an airport changes its airport layout plan, reconfigures or lengthens runways, or engages in runway-altering construction. This would allow staff to apply the standards which have been previously approved for the airport to the new runway configuration. Approach Protection Plans are used by local zoning officials to protect not only the airspace but land use surrounding the airport and have become a valuable tool for local zoning boards.

Moved by Commissioner Kraft, with support from Commissioner Everman, to approve the Approach Protection Plan Standards as outlined by Mr. Hammond. MOTION CARRIED.

C. MDOT Director's Report

With the aid of PowerPoint, MDOT Director Gloria Jeff briefed the Commission on the status of the department and the state as a whole. Her report is paraphrased as follows.

The Department of Transportation celebrates its 100th anniversary in 2005. Though the department started out with a focus on roads and bridges, it has evolved to encompass all modes of transportation. Looking forward to the next century, the department will take an integrated approach in recognizing that all modes of transportation must work together to deliver a high quality transportation system to the citizens of Michigan.

She listed department priorities; the number one priority being safety. She noted that it is critically important that we protect the lives of residents, visitors, and businesses that operate within the State of Michigan. She listed activities that demonstrate how safety plays a key role in the department's mission. The Granholm administration, she indicated, believes in the protection and preservation of the multimillion dollar investment made by the citizens of Michigan over the past 100 years. The department will continue to reach out and engage in a transparent and inclusive process with industry members and will continue to work on improving Michigan's position with respect to federal funding.

With respect to accomplishments in 2004, the department focused on four critical areas. In the area of airport development, some 253 grants were processed, representing over \$105 million in federal funds. The state was able to leverage that \$105 million with a ten percent match. Local units of government provided additional funding to leverage federal funds. Fifty-five new construction projects were started in 2004—almost 80 percent of them involved preservation work. She described many of these projects.

With respect to projections for FY 05, she cautioned that the projects should be viewed in the context of the economics and the budget of the State of Michigan as a whole. The most

recent revenue estimations project an approximately \$355 million shortfall from the projections made this past August—an additional reduction in all revenue streams for the State of Michigan and its associated activities. In addition, a shortfall of almost \$700 million is projected for FY 06.

She indicated that while aviation has a dedicated revenue source, it is one part of the comprehensive transportation system and one part of state government as a whole; that sensitivity for the total picture is required.

The Director described the eight major categories of spending for the roughly \$210 million in federal funds. The lion's share is associated with airport programs, air service, administration of aeronautics, and debt service.

No growth is expected to the State Aeronautics Fund. With a continued flat rate of recovery, additional match funds may be required in order to continue effective usage of the federal funds available. For the agency as a whole, a decline is expected in the revenues made available to the Department of Transportation. She qualified these as estimates. Every quarter, the Governor and the Legislature conduct a revenue conference using a dispassionate third party projector to come up with revenue forecasts for the State of Michigan.

The Department of Transportation has been asked to make significant economic adjustments. Members of Team MDOT, along with other employees in state government, have been asked to make pay concessions. Furloughs will not be required in, as in the fiscal year previous. The department will continue with aggressive attempts to reduce administrative costs.

The State of Michigan is required to present a balanced budget. With that in mind, the department will continue to defer the filling of vacancies, reduce travel and participation in conferences and overtime.

Additional information with respect to the FY 06 budget will be announced during the Governor's *State of the State* message on February 8, and a rollout of the budget two days later. In March, the majority leadership will conduct a series of focus groups to hear from invited guests about what they believe to be the appropriate utilization and reduction levels for state-related activities.

The Director pointed out that the department continues to invest federal funds and limited state resources to address critical goals and objectives and to focus on preservation activities, with emphasis on safety and security, and will continue to aggressively pursue federal dollars. A third Transportation Summit is scheduled for later this year. She noted that the industry has been effective in moving forward an agenda for transportation. The department will also continue work on a State Long Range Plan, focusing on an integrated

transportation system and establishing statewide goals and activities to be pursued with respect to an integrated transportation system.

The Director invited questions from the Commissioners.

Commissioner Kraft queried as to the link between the overall budget for aeronautics and the general fund.

The Director explained that a portion of the department's budget includes general funds. She explained that many employees are members of bargaining units that are not agency specific. When there is agreement within the bargaining unit, regardless of whether it impacts the general fund, all members of the bargaining unit are impacted.

As a point of clarification, Director Abent explained the rationale for skipping over items listed on the agenda. He noted that one such item, the Chairman's Appointments to Subcommittees, had been placed on the agenda prematurely. This item will be taken up at a subsequent meeting.

Chairman Adams referred the members of the Commission to a list of proposed appointments to the various subcommittees and asked that they review it and provide feedback on the assignments.

With respect to Item IV-A, *2005 Meeting Venues*, Director Abent noted that in November 2003, the Commission had voted to waive the Aeronautics Commission Bylaws requiring that meetings be held at venues outside of Lansing. He asked the Commissioners to consider the schedule provided at the November meeting and, pursuant to preferences, continue the waiver of the Commission Bylaws.

Director Jeff expressed her approval for the Commission's willingness to waive the Bylaws and continue with a limited number of non-Lansing-based meetings. She added that while it is important that the Commission have outreach with the aviation community, it should consider conducting its one non-Lansing based meeting at an airport facility or a site viewed by the public as more suitable for focusing on activities associated with the facility or the community. She voiced concerns regarding perception with respect to the September meeting, slated to be held at the Crystal Mountain Resort, and asked that another facility be identified for the September meeting.

The Chairman entertained a motion to suspend the Bylaws for an additional year to address the state's ongoing budget concerns.

Whereupon, it was moved by Commissioner Smith, with support from Commissioner Koch, to continue the waiver of Aeronautics Commission Bylaws relating to offsite meetings. MOTION CARRIED.

IV. PUBLIC COMMENT

The Chairman opened the floor for comments from the public. No public comments were received.

V. REPORTS

The Chairman called on Tom Krashen for a report on the Great Lakes International Aviation Conference.

Mr. Krashen's report is paraphrased as follows:

Great Lakes International Aviation Conference

Mr. Krashen, appearing on behalf of Dr. Phil Tartalone, reported that the fifth annual Great Lakes International Aviation Conference, by all accounts, was a big success. This year, the second year for the conference at the Lansing Center, featured a Thursday, Friday, Saturday format. Approximately 80 airport managers attended. Preliminary figures for the conference approximated 1250. Keynote speakers, John and Martha King and Rod Machado, were very well received by the large audience. He thanked the staff of the bureau for volunteering their services to this event.

Director Abent echoed Mr. Krashen's remarks regarding the volunteers.

Continuing, Mr. Krashen noted that the Annual Teacher's Workshop will be held May 21, 2005. Keynote speakers for the workshop include a current astronaut and a commercial pilot for Southwest Airlines, who flew F-16s. Attendance has increased each year, and 200 teachers are expected to participate in this year's event. He extended invitations to all the members of the Commission.

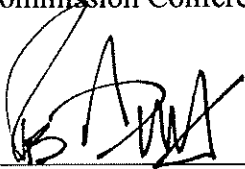
Chairman Adams noted that he had been involved in a community project in Battle Creek which encourages youngsters to embrace aviation. He opined, the more you get people talking about aviation, the better the impression of airports and the more likely the chance for positive change. Since the beginning of the Battle Creek program, six young people have gone on to become airline pilots and approximately nine currently fly in branches of the military. He encouraged guests in the audience to share their love of aviation with young people.

David VanderVeen, Oakland County Executive's Office, remarked that there are currently two events planned to raise funds for aviation scholarships: the Frank P. McCarthy Foundation will sponsor an annual golf outing in August, and the Michigan Business Aviation Association (MBAA) will hold its annual golf outing with a similar focus. Last

year, the MBAA raised over \$4,000 for scholarships at the Western Michigan College of Aviation. He encouraged participation from the members of the Commission.

There being no further comments, nor business to come before the Commission, the Chairman declared the meeting adjourned at approximately 11:40 a.m.

Announcement: The next meeting of the Aeronautics Commission begins with a joint meeting of the State Transportation Commission and the Michigan Aeronautics Commission, in the Aeronautics Auditorium, commencing at the hour of 9:00 a.m., followed by separate regular meetings of both commissions commencing at 10:00 a.m. The MAC will meet in the Aeronautics Auditorium and the STC will meet in the Commission Conference Room on second floor.



Director



Chairman

Dated: 3/31/05